

**CONFIDENTIAL**

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30 DEC 1964

**MEMORANDUM FOR: Deputy Director for Support****SUBJECT : Relocation of Downtown Agency  
Components to the Rosslyn Area**

**REFERENCES : (a) Memo dated 6 August 1964 to DD/S  
from AD/L, subject: Space Require-  
ments - Possible Evacuation of Potomac  
Park Area and Release of 1717 H Street**

**(b) Memo dated 28 September 1964 to DD/S  
from D/L, subject same as ref (a)**

1. This memorandum is for information only; particularly to advise you of the current status and proposed courses of action and funding requirements in connection with our relocation to the Rosslyn area.

2. Reference (a) discussed the serious space problem to be faced by the Agency in the Potomac Park area when the scheduled road and tunnel work gets underway along Independence Avenue and ultimately the demolition of [REDACTED] Building, Alcott Hall, R&S Building and Quarters Eye, in which we are presently assigned 175,000 sq. ft. of space (Tab A, reference (a)). Tab B of reference (a) indicated a requirement of 67,400 sq. ft. of space if we should vacate 1717 H Street, to allow the Bureau of Public Roads to consolidate their people in 1717 H Street. Tabs A and B of reference (a) indicated a total requirement of 242,000 net useable sq. ft. of space.

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3. Our memorandum to you dated 28 September 1964 (ref. (b)) summarized and recommended approval of a proposal by the Public Buildings Service that the Agency move from 1717 H Street to the Key Building, 1200 Wilson Boulevard, Rosslyn, Virginia, as the first step in the PBS plan to consolidate our functions now in 1717 H Street.

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**CONFIDENTIAL**

**SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

Alcott Hall, R&S Building and Quarters Eye into one location; namely, the Rosslyn area. As part of this overall plan we propose to relocate TSD from [REDACTED] Building to the 2430 E Street area into Central and/or South Building space to be vacated by the Office of Finance which will move to the Key Building. I further recommended that Fiscal Year 1965 funds in the amount of \$267,400 be made available to the Office of Logistics for rent and estimated relocation costs and Fiscal Year 1966 funds in the amount of \$123,200 be made available at the appropriate time for rent.

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4. Under date of 6 October 1964 you approved these recommendations with the following conditions:

a. We will get the use permit we need from the Bureau of Public Roads to develop a 1,000 space parking lot.

b. We will have first priority on all or nearly all of the parking spaces for rent in the Key Building.

c. PBS will declare its intent to consolidate our non-Langley space to the extent possible in the Rosslyn area.

These conditions have been or will be met. BPR has sent us a use permit which we plan to execute as soon as a survey is completed to accurately define the area in question. The owner of the Key Building is making nearly all of the parking spaces in the building available to Agency employees at \$15.00 per month per space. PBS has complied with condition c, above, as indicated in the third paragraph of the Regional Director's letter of October 13, 1964. (Tab A)

5. We have been advised by PBS that a rental figure of \$4.30 per sq. ft. has been agreed upon with the owner of the Key Building and that PBS expects reimbursement from the Agency at that rate on 28,000 sq. ft., which is the difference between 103,000 sq. ft. in the Key Building and the 75,000 sq. ft. we are releasing in 1717 M Street. The reimbursement is to be in the amounts and for the periods indicated below:

1 January - 30 June 1965	\$ 60,200	
1 July 1965 - 30 June 1966	<u>120,400</u>	\$180,600

**CONFIDENTIAL**

**SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

Accordingly, in a letter dated 12 October 1964 (Tab B), we agreed to reimburse PBS for these rental costs in the total amount of \$180,600.

6. The letter of 12 October 1964 also served as a memorandum of understanding and agreement between the General Services Administration and the Agency in connection with funding the following costs of the first phase of the overall move as indicated below:

a. 1717 H Street to Key Building

GSA to fund all the costs of this move, including not only costs of normal tenant changes in the Key Building but also those for preparation of special purpose space therein to accommodate special purpose equipment and provide special purpose conditions as they are now in 1717 H Street. (It should be understood that the Agency will fund the costs of any special requirements that are over and above those now in 1717 H St.)

b. 2430 E Street Area (parts of South, East and Central Bldgs.) to the Key Building

GSA to fund the normal costs of this move. Preparation of special purpose space (vaults, security alarm systems, etc.) to be funded by this Agency.

c. ████████ Building to the 2430 E Street Area

Costs of this move to be funded by this Agency.

The second paragraph of the Regional Director's letter of October 13, 1964, (Tab A) confirms these funding arrangements.

7. On the basis of a rental cost of \$4.30 per sq. ft. in the Key Building our rental and our roughly estimated construction costs of the first phase of the move to the Rosslyn area to be as follows:

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**CONFIDENTIAL**

**CONFIDENTIAL**

**SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

a. Rent (paragraph 5 above)	\$180,600
b. Cost of preparing space (vault and secure areas)	25,000
c. Relocate TSD from [REDACTED] Building to South and/or Central Bldgs.	<u>150,000</u>
<b>TOTAL</b>	<b>\$355,600</b>

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8. Requirements for tenant alterations have been assembled from the components to be moved into the Key Building and were turned over to PBS as rapidly as they could be refined and put in shape for use by the owner's contractor. It is estimated that the move into the Key Building should commence about 1 April 1965.

9. The planned occupancy of the Key Building is attached as Tab C.

10. The second phase of our move to the Rosslyn area is concerned with the relocation of the occupants of Alcott Hall, R&S Building and Quarters Eye. In a letter of the Regional Director dated 27 October 1964 (Tab D) we indicated our requirement in the vicinity of the Key Building for this second phase to be as follows:

Replacement for Alcott Hall	47,455 sq. ft.
Replacement for R&S Bldg.	40,675 " "
Replacement for Qtrs. Eye	<u>63,090 " "</u>
<b>TOTAL</b>	<b>151,220 sq. ft.</b>
<b>say</b>	<b>151,000 sq. ft.</b>

A recent space analysis of these three buildings indicates unassigned space of 11,590 sq. ft. In addition, by careful planning we are able to accommodate the following additional components in the Key Building from the Potomac Park group:

a. OCR - Acquisition Branch from 9,900 sq. ft. in R&S Building.

b. IG - Audit from 3,350 sq. ft. in Quarters Eye.

**CONFIDENTIAL**

CONFIDENTIAL

**SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

The BDP/FE Translation group now in 3,610 sq. ft. in Quarters Eye is not scheduled to move into any Agency occupied building in the Rosslyn or other area. The total of these four items is 28,450 sq. ft. which might reasonably be deducted from 151,000 sq. ft. leaving a requirement of 122,550 sq. ft. for the second phase of the move to Rosslyn. Possibly somewhere between 122,500 sq. ft. and 151,000 sq. ft. would be an appropriate figure and provide us a little elbow room for emergency space requirements. However, for discussion purposes with PBS at this time we will confine ourselves to the 151,000 sq. ft. figure, recognizing that we will have to accommodate to the building or buildings available.

11. We advised the Regional Director in our letter of 27 October 1964 (Tab D) that in our judgment it is not too early to actively pursue our objective of additional space in the Rosslyn area and conclude an understanding on funding the costs of the new space and the move from the Potomac Park area. This letter was followed by a meeting of the Regional Director and representatives of the Office of Logistics at which he agreed to conduct a market survey of space possibilities in the Rosslyn area and advise us of his findings. This he has done and in his letter of November 27, 1964 (Tab E), he advised us that a substantial amount of space can be delivered in September 1965, and it appeared that PBS should consider going into the market for additional space on or about May 1, 1965.

12. In our discussions with the Regional Director about the acquisition of space for the second phase of our move to Rosslyn, he has consistently emphasized that the real estate market will be a most important factor in determining when PBS will conclude a lease. I am sure he anticipates that space will be available within the range of \$4.30 to \$4.50 per sq. ft. His letter of November 27, 1964 (Tab E), with the accompanying market survey report indicates a range of \$4.50 per sq. ft. to \$5.25 per sq. ft. with the \$4.50 figure for a building of 250,000 sq. ft.; far beyond our needs and the requirement that we have sole occupancy of any building we move into.

13. Attached as Tab F is a list of the Agency components now located in Alcott Hall, R&S Building and Quarters Eye. It is possible that the BDP/RID operation now in the R&S Building auditorium may be concluded before we move but for planning purposes we will assume that other space must be provided for this operation.

CONFIDENTIAL

**CONFIDENTIAL****SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

14. It is possible that PBS may conclude an agreement for acceptable space early in 1966, with occupancy in January 1966 and request our agreement to reimburse them for rent for the last six months of FY '66 and for all of FY '67, in accordance with BOB Circular No. A-11. If this should prove to be the case, we should be prepared to commit the following funds:

- |  |           |
|--|-----------|
| a. Rent 151,000 sq. ft. @ \$4.50 per sq. ft., 6 months of FY '66 | \$339,750 |
| b. Rent 151,000 sq. ft. @ \$4.50 per sq. ft., all of FY '67      | 679,500   |

15. PBS can, and I believe will, solicit proposals for space from builders who have completed financing arrangements but who have not actually started construction, or at least no more than excavation work. If PBS finds space acceptable to us; location, amount of space, character of the building, sole occupancy, it would enable us to get our special requirements to the builder for incorporation in his design work and eliminate costly modifications after the building is completed. We intend to explore this possibility with the Regional Director.

16. In summary, our anticipated requirements for funds based on known costs and rough estimates, the probable timing of the requirements as we see them now, and the identification of the requirements are tabulated below:

<u>Key Building</u>	<u>FY '65</u>	<u>FY '66</u>	<u>FY '67</u>
Rent	\$40,200	\$120,400	
Cost of preparing space	25,000		
Telephone installations	7,500		
Additional telephone costs (Virginia rates over D. C.)	10,500	21,000	
<u>South, Central &amp; East Bldgs.</u>			
Cost of relocation of TSD from [REDACTED] Bldg.	\$150,000		

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**CONFIDENTIAL**

**CONFIDENTIAL**

**SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

<u>New Space in Rosslyn</u>	<u>FY'65</u>	<u>FY'66</u>	<u>FY'67</u>
Rent (151,000 sq. ft.)			
(a) 6 months @ \$4.50 sq. ft.		\$339,750	
(b) 12     "     @ \$4.50 sq. ft.			\$679,500
Preparation of space		75,000	
Moving costs		75,000	
Telephone installation		11,500	
Additional telephone costs (Virginia rate over D. C.)		31,500	-
<b>TOTALS</b>	<b>\$253,200</b>	<b>\$674,150</b>	<b>\$679,500</b>

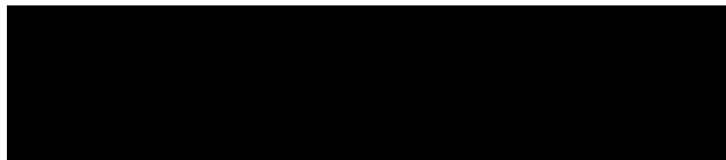
17. Also in summary, excluding Headquarters Building and those parcels which should remain outside any Agency complex, our existing and proposed space holdings are as follows:

<u>a. Existing</u>	<u>Square Feet</u>	
1717 H Street	75,000	
██████████ Building	23,070	
Quarters Eye	63,090	
R&S Building	40,675	
Alcott Hall	47,455	
South Building	45,369	
Central Building	20,544	
East Building	8,817	324,020
<b>b. Proposed</b>		
South Building	45,369	
Central Building	20,544	
East Building	8,817	
Key Building	103,000	
Rosslyn additional	151,000	338,730

The requirement for an additional 151,000 sq. ft. of space in Rosslyn is flexible and if PBS should offer us 130,000 sq. ft. of acceptable space I am confident that we could accommodate ourselves within that limitation.

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Director of Logistics

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**SUBJECT: Relocation of Downtown Agency Components to the Rosslyn Area**

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**OL/RECD/ [REDACTED] :mew  
(30 December 1964)**

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